

PROGRAM: WIC

EFFECTIVE DATE: May 1, 1994

SUBJECT: FARMERS' MARKET ABUSE

POLICY NO.: FM: 01.4

**REF.: Public Law 102-314, FED., REG., 7 CFR Part 248.10 REPLACES POLICY
DATED: N/A**

POLICY

Farmers and markets identified and documented as having failed to comply with the Farmers' Market agreement, policies, procedures and/or regulations of the Farmers' Market Nutrition Program (FMNP) will be sanctioned.

PURPOSE

To provide a deterrent to farmers and farmers' markets who would seek to abuse the program. To provide guidelines and procedures for sanctioning farmers and markets.

PROCEDURES

I. A farmer and/or market may have an on-site review conducted by a State Agency (SA) representative or Local Agency (LA) representative in accordance with Policy FM: 1.3, Farmers' Market Monitoring.

II. The SA may also initiate a compliance buy for reasons that include, but are not limited to price differences identified as a result of the on-site review and/or complaints from the local WIC agency/participant/farmers.

III. Compliance Buy

A. A SA representative and/or compliance aide will attempt to redeem one or more Farmers' Market (FM) coupons for ineligible food items, non-food items, cash, and/or before or after the valid redemption period.

B. A positive pass is defined as:

1. One or more FM coupons redeemed for ineligible food items, non-food items, overcharges, and/or cash during a compliance buy visit; or
2. One or more FM coupons redeemed by one farmer during a compliance buy visit and submitted by another farmer to the SA for payment; or
3. Submitting one or more FM coupons for payment through a different farmers' market association than where the coupon(s) was originally redeemed during a compliance buy visit; or
4. Redeeming one or more FM coupons at an unauthorized location during a compliance buy visit; or
5. Redeeming one or more FM coupons outside the valid redemption period during a compliance buy visit.

C. FM coupons redeemed improperly and/or for ineligible food items, non-food items, overcharges, cash will not be paid.

IV. A farmer and markets will be notified in writing of the results of the on-site review and/or compliance buy and sanctions, if appropriate.

V. A farmer will be disqualified from accepting FMNP coupons at all authorized FMNP market locations for a violation resulting in disqualification at any given market.

VI. Once noncompliance is identified, disqualification can be imposed in any agreement period following notification to the farmer and/or market.

VII. Disqualification from any other United States Department of Agriculture Food and Nutrition Service (FNS) Program will result in an automatic disqualification of the same duration from the FMNP. The FMNP will impose the same length of disqualification as the other FNS Program. However, the effective date of disqualification from the FMNP is at the discretion of the SA.

GUIDELINES

I. For issuing unauthorized food (i.e. honey, picante sauce, processed food items, etc.) in exchange for one or more FM coupons, the SA will disqualify the farmer for one month.

II. For redeeming one or more FM coupons at one authorized location and submitting it/them for payment through another authorized location, the SA will disqualify the farmer for one month at both locations.

III. For redeeming one or more FM coupons at an unauthorized location and submitting it/them for payment through an authorized location, the SA will disqualify the farmer for three months.

IV. For overcharging on one or more FM coupons during at least two compliance buys, the SA will disqualify the farmer for three months.

V. If one farmer redeems one or more FM coupons and another farmer submits it/them to the SA for payment, the SA will disqualify both farmers for three months.

VI. For redeeming one or more FM coupons before or after the redemption period, the SA will disqualify the farmer for one agreement period.

VII. For issuing non-food items or cash in exchange for one or more FM coupons, the SA will disqualify the farmer for three agreement periods.

VIII. If noncompliance is identified with two or more farmers at a farmers' market, the SA will not renew the agreement for the farmers' market association.

IX. The SA Director, with the approval of the Commissioner of the Texas Department of Health or his designated representative, may disqualify a farmer or market up to three (3) agreement periods if the offense is of such magnitude as to indicate an intent to defraud the FMNP.

X. A farmer or market being disqualified will be given at least fifteen days prior notice before the disqualification becomes effective.

XI. A farmer or market that has been disqualified but who, at the end of such period, is still under agreement will be allowed reinstatement rights.

XII. Any actions instituted against a farmer or market as described in this policy will be considered before recontracting with the farmer or market and may be used as criteria in determining whether the farmer or market is eligible to recontract.

XIII. The State, as well as officers, agents, and employees of the State, are not responsible for losses incurred by the farmer/market as a result of denial of application to participate, disqualification, and/or expiration of the Farmer' Market Agreement.

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